



July 18, 2006

SUBJECT: Public Hearing to Cause Charges for Non-Payment of Utility Services and Non-Payment for the Cost of Abatement of Public Nuisances to be Placed on the FY 2006/2007 Tax Roll.

REPORT IN BRIEF

The City of Sunnyvale provides utility services to all properties within City limits. Additionally, the City enforces codes related to the maintenance of private property throughout the City. Periodically, as a result of code enforcement activities, the City abates nuisances on private property in order to promote public health and safety as well as the general welfare of the public.

Charges for utility services and public nuisance abatements are billed to customers by the Department of Finance. Some of the properties receiving these services have been consistently delinquent. Attempts to collect these delinquent debts through the City's standard collection process have failed.

Staff is recommending that tax roll assessments be filed against these properties in accordance with Sunnyvale Municipal Code Sections 12.50.110 for utility services, and sections 8.20.060 through 8.20.090, and 9.26.080 for public nuisance abatements.

BACKGROUND

The City of Sunnyvale Municipal Code requires that all properties receiving water service, from any vendor, also receive and be subject to charges for sewer and solid waste services with the exception of those properties utilizing a septic tank system which are exempt from the requirement for sewer service. The collection of sewer and solid waste from all occupied properties is essential to maintaining the health and safety of the community at large. For this reason, sewer and solid waste charges are considered a civil debt. The City of Sunnyvale Municipal Code also provides the authority to declare a public nuisance and abate the nuisance.

The City of Sunnyvale Municipal Code Sections 12.50.110, 8.20.060 through 8.20.090, and 9.26.080 provide the City the opportunity to collect delinquent funds through the tax roll procedure. Each year, the City holds a public hearing to provide the public an opportunity to comment regarding the proposed assessments.

EXISTING POLICY

The City of Sunnyvale Municipal Code Sections 12.50.110, 8.20.060 through 8.20.090, and 9.26.080 allow the City to cause delinquent charges for water, sewer or solid waste services and nuisance abatements to be collected on the tax roll together with general taxes.

DISCUSSION

Charges for Non-payment of Utility Services

The properties listed in Attachment C have at least three outstanding bills and are a minimum of 60 days delinquent in paying for water, sewer, or solid waste services provided to them by the City of Sunnyvale. Repeated attempts to collect the delinquent funds through the billing and notification process have been unsuccessful. Each utility customer receives a regular bill for service. Utility customers with active accounts receive a reminder notice, then a second notification of delinquency, and a final demand letter notifying the customer that failure to pay will result in legal action. Utility customers with closed accounts receive a final bill and a final demand letter notifying the customer that failure to pay will result in legal action. Additionally, further notification was mailed or delivered to each customer in Attachment C notifying them of the July 18, 2006 public hearing.

As the City of Sunnyvale cannot encourage these customers to pay their delinquent bills through discontinuance of service in the interest of public health, or because their accounts are now closed and there are new customers living at the property, the only recourse available to collect the debt is either to place an assessment on each of the properties or refer them to a collection agency. As these customers own the property and the municipal code allows an assessment to be placed and funds collected through the county tax rolls, staff recommends this course of action.

Charges for Non-payment of Nuisance Abatements

The City of Sunnyvale enforces laws related to the maintenance of private property throughout the City. In the past fiscal year, nuisance abatement work was performed on the three properties listed on Attachment D. The abatements for all three properties consisted of general clean-up including removal of overgrown vegetation, debris, trash, and in the case of 1085 Borregas Ave, the boarding up of the house.

Each nuisance abatement customer receives a bill and a monthly statement. These customers also received a final demand letter from the City Attorney's office after 90 days of delinquency. As these customers own the property and

the municipal code allows an assessment to be placed and funds collected through the county tax rolls, staff recommends this course of action.

FISCAL IMPACT

The assessments total \$12,724.24 in previously uncollected revenue. If approved, staff will forward the assessment information with an additional 1% administrative charge, to the County of Santa Clara for collection on the FY 2006/2007 property tax roll. If collected, \$1,746.13 would be credited to the Utility Enterprise Funds and \$10,978.11 will be credited to the General Fund.

Should the current pattern of delinquency be allowed to continue for either nuisance abatement or utility customers without action, the financial burden of providing service to these properties will eventually fall to either paying utility customers for delinquent utility bills, or the General Fund for delinquent public nuisance bills.

CONCLUSION

The proposed hearing is consistent with past practice and applicable legal requirements. Action to collect debts through the tax roll process is a cost effective and efficient method of debt collection.

PUBLIC CONTACT

Notification of the hearing was published in the Sunnyvale Sun in accordance with the Sunnyvale Municipal Code. Notification of the hearing was also sent to the billing address for each owner of each of the affected properties. Public contact is also provided via publication and posting of the City Council Agenda. Reports to Council are available in the Sunnyvale Library and on the City's website.

ALTERNATIVES

1. Adopt the attached resolution causing charges for non-payment of utility services and non-payment for the cost of abatement of public nuisances to be placed on the FY 2006/2007 tax roll.
2. Do not adopt the resolution and collect the delinquent funds through other means.
3. Reduce or remove charges from the customers' accounts.

RECOMMENDATION

Staff recommends Alternative 1 to adopt the attached resolution causing charges for non-payment of utility services and non-payment for the cost of abatement of public nuisances to be placed on the FY 2006/2007 tax roll.

Prepared by:

Timothy J. Kirby
Revenue Systems Supervisor

Reviewed by:

Mary J. Bradley
Director of Finance

Approved by:

Amy Chan
City Manager

Attachments

- A. Proposed Resolution
- B. Public Notice
- C. Delinquent Utility Accounts to be Liened on County Tax Roll
- D. Delinquent Nuisance Abatement Accounts to be Liened on County Tax Roll

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE SETTING A PUBLIC HEARING TO CAUSE
CHARGES FOR NONPAYMENT OF UTILITY CHARGES AND
THE COST OF ABATEMENT OF NUISANCES TO BE PLACED
ON THE FY 2006/2007 TAX ROLL**

WHEREAS, the City of Sunnyvale provides refuse and/or sewer service for certain properties receiving water service from the City of Sunnyvale or outside vendors; and

WHEREAS, certain accounts are consistently delinquent and attempts to collect funds through the billing and notification process have been unsuccessful; and

WHEREAS, Section 12.50.110 of the Sunnyvale Municipal Code allows the Director of Finance to cause charges not collected within 60 days for water, sewer or refuse services to be collected on the tax roll together with its general taxes;

WHEREAS, pursuant to Section 9.26.070 of the Sunnyvale Municipal Code, a civil debt owed to the City for nuisance abatement costs may be placed on the real property tax roll, after a report and hearing.

WHEREAS, pursuant to Section 12.50.110, the Director of Finance shall file a written report with the City Clerk which shall contain a description of each parcel of real property receiving such service as to which such delinquency exists and the amount of the charge due for each parcel;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Tuesday, July 18, 2006, at 7:00 p.m., in the Council Chambers, 456 West Olive Avenue, Sunnyvale, California, is set for a public hearing to be held on the reports and for any and all protests to be heard.

2. The City Clerk shall cause notice of the hearing to be published in accord with Government Code Section 6066.

Adopted by the City Council at a regular meeting held on June 7, 2005, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

CITY OF SUNNYVALE
NOTICE OF PUBLIC HEARING
UTILITY AND NUISANCE ABATEMENT CHARGES TO
BE COLLECTED ON TAX ROLL

NOTICE IS HEREBY GIVEN that the City Council of the City of Sunnyvale will hold a public hearing.

WHEN	7:00 p.m., Tuesday, July 18, 2006
WHERE	Council Chambers, City Hall, 456 West Olive Avenue, Sunnyvale, California.
WHY	<p>To consider a resolution, which provides for the collection of utility and nuisance abatement charges on the FY 2006-2007 tax roll. The utility charges are for properties which are provided city water, solid waste and/or sewer services. Each property listed is a minimum of 60 days in arrears.</p> <p>The nuisance abatement charges are to reimburse the City of Sunnyvale for costs incurred by the City to abate nuisances on private property.</p>

A written report, which confirms the description of each parcel to be assessed, has been filed with the City Clerk. The report may be inspected during normal working hours in the Office of the City Clerk, City Hall South Annex, 603 All America Way, Sunnyvale, California.

At the hearing the City Council will hear and consider all protests and objections to said report. All persons interested in said matter shall have an opportunity to be heard at said time and place.

**Delinquent Utility Accounts to be Liened on County Tax Roll
Fiscal Year 2006-2007**

<u>APN Number</u>	<u>City</u>	<u>Acct Number</u>	<u>Property Address</u>	<u>Mailing Address</u>	<u>Name</u>	<u>Charge Through Date</u>	<u>Delinquent Balance</u>	<u>Administration Charge</u>	<u>Total Due</u>
211-16-005	55703	34774	991 Bellomo Av	993 Bellomo Av Sunnyvale, CA 94086-8856	Diaz, Shirley	3/1/2006	\$175.78	\$1.78	\$177.56
323-13-033	34271	21552	1414 Pointe Claire Ct	1414 Pointe Claire Ct Sunnyvale, CA 94087-4269	Miller, Lynn	3/1/2006	\$125.15	\$1.26	\$126.41
313-14-035	20635	12622	1416 Navarro Dr.	1416 Navarro Dr. Sunnyvale, CA 94087-5823	Frumveller, Harry B.	3/1/2006	\$295.79	\$2.99	\$298.78
313-40-026	23473	14180	1666 Redwing Ave	P.O. Box 29 Los Altos, CA 94023-0029	Gorzynsky, Donna	3/1/2006	\$158.30	\$1.60	\$159.90
204-27-018	114143	52364	580 Madrone Ave	580 Madrone Ave Sunnyvale, CA 94085-3621	Hernandez, Daniel	3/1/2006	\$377.78	\$3.82	\$381.60
213-65-017	77203	47728	1134 Aster Ave Ste G	1134 Aster Ave Ste G Sunnyvale, CA 94086-6878	Sunnyvale Amusement	3/1/2006	\$595.87	\$6.02	\$601.89

Delinquent Nuisance Abatement Accounts to be Liened on County Tax Roll
Fiscal Year 2006-2007

<u>APN Number</u>	<u>Property Address</u>	<u>Mailing Address</u>	<u>Name</u>	<u>Delinquent Balance</u>	<u>Administration Charge</u>	<u>Total Due</u>
110-11-071	1085 Borregas	PO Box 60123 Sunnyvale, CA 94088	McGrath, Patrick	\$8,451.43	\$85.37	\$8,536.80
204-13-015	550 Balsam	PO Box 60123 Sunnyvale, CA 94088	McGrath, Patrick	\$868.43	\$8.77	\$877.20
198-23-004	1063 Hudson Wy	1063 Hudson Wy Sunnyvale, CA 94087	Critz, James - Trust	\$1,548.47	\$15.64	\$1,564.11